

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

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| Ameren Illinois Company | : | |
| d/b/a Ameren Illinois | : | |
| | : | 12-0089 |
| Verified Petition for Approval of | : | |
| Multi-Year Performance Metrics | : | |
| pursuant to Section 16-108.5(f) and | : | |
| (f-5) of the Public Utilities Act. | : | |

PROPOSED ORDER

DATED: May 1, 2012

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PROPOSED ORDER

By the Commission:

I. INTRODUCTION

On January 3, 2012, pursuant to Section 16-108.5(c) of the Illinois Public Utilities Act, (the "Act") Ameren Illinois Company d/b/a Ameren Illinois ("AIC") filed and requested approval of a performance-based formula rate tariff, Rate Modernization Action Plan-Pricing ("Rate MAP-P") by initiating Docket No. 12-0001. AIC then initiated the instant proceeding with the filing of its Petition for Approval of Multi-Year Performance Metrics on February 2, 2012 under Section 16-108.5(f) of the Act. AIC requests the issuance of an order from the Illinois Commerce Commission (the "Commission"), within 120 days of the filing of the Petition, approving (i) AIC's Multi-Year Performance Metrics ("Metrics Plan") and (ii) Rider Modernization Action Plan-Metrics ("Rider MAP-M").

Petitions to Intervene in this proceeding were filed by The People of the State of Illinois (the "AG"); Citizens Utility Board ("CUB"); and AARP. Staff of the Commission ("Staff") also participated in this proceeding.

Pursuant to proper legal notice, a pre-hearing conference was held on February 21, 2012 before duly authorized Administrative Law Judges ("ALJs") of the Commission at its offices in Springfield, Illinois. The parties proceeded to set a schedule for testimony and evidentiary hearing and a Motion for Protective Order was filed by AIC. The Motion was granted by the ALJs and the Protective Order was entered on March 12, 2012. On March 26, 2012 AIC filed a "Motion to Strike Instant or in the Alternative for an Expedited Ruling" regarding the direct testimony of CUB witness Christopher C. Thomas (CUB Exhibit 1.0), as well as the direct testimony of AARP and the AG witness Barbara R. Alexander (AARP/AG 1.0). The AG and AARP jointly, as well as CUB, filed responses to this Motion on March 29, 2012. AIC filed its reply on March 30, 2012. On April 2, 2012 the ALJs issued a Notice of Administrative Law Judge's Ruling, denying AIC's Motion.

An evidentiary hearing was held in Springfield on April 9, 2012. Appearances were entered by counsel on behalf of AIC, Staff, the AG/AARP, and CUB. At the conclusion of the hearing on April 9, 2012, the matter was marked "Heard and Taken." A Proposed Order was served on the parties.

II. OVERVIEW OF SECTION 16-108.5(f) & (f-5) OF THE ACT

Section 16-108.5(b) of the Act provides that an electric utility or combination utility serving more than one million customers may elect to become a "participating utility" and voluntarily undertake an infrastructure investment program as described in the Section. It also provides that a combination utility means a utility that as of January 1, 2011, provided electric service to at least one million retail customers in Illinois and gas service to at least 500,000 retail customers in Illinois. A participating utility is allowed to recover its expenditures made under the infrastructure investment program through the ratemaking process, including, but not limited to, the performance-based formula rate and process set forth in Section 16-108.5(b).

Under Section 16-108.5(f) AIC must achieve improvements over baseline performance values "ratably (i.e., in equal segments)" for the following seven metrics over a ten year period. While there are ten actual metrics under Section 5/16-108.5(f), not all sections apply to AIC, which is both a participating utility and a combination utility, however the following metrics are numbered to correspond with the metrics in Section 16-108.5(f).

1. Twenty percent improvement in the System Average Interruption Frequency Index ("SAIFI") using a baseline of the average of the data from 2001 through 2010;
2. Fifteen percent improvement in the system Customer Average Interruption Duration Index ("CAIDI") using a baseline of the average of data from 2001 through 2010;
4. Seventy-five percent improvement in the service reliability targets set forth in subparagraphs (A) through (C) of paragraph (4) of subsection (b) of Section 411.140 of 83 Ill. Admin Code Part 411 "Electric Reliability" ("Part 411"), as of May 1, 2011, using 2010 as the baseline;
5. Fifty-six percent improvement in reducing the number of estimated electric bills issued using a baseline of the average number of estimated bills for the years 2008 through 2010;
6. Fifty-six percent improvement in the consumption of electricity on inactive meters using a baseline of the average unbilled kilowatt hours ("kWh") for the years 2009 through 2010;

8. \$3.5 million dollar reduction in uncollectible expense using a baseline of the average uncollectible expense for the years 2008 through 2010; and
9. Set a goal for creating opportunities for minority-owned and female-owned business enterprises ("MFBE") consistent with state and federal law using a base performance value of the percentage of AIC's expenditures paid to minority-owned and female-owned business enterprises in 2010.

The statutory framework allows a participating utility to choose when the 10-year performance period begins, provided that the SAIFI, CAIDI and service reliability targets metrics (the "reliability related metrics"), and the MFBE opportunities metric have a performance period beginning no later than 14 months following the date on which the utility begins investing in its infrastructure investment program. For metrics that utilize the technology or functionality that will be implemented under an Advanced Metering Infrastructure ("AMI") Deployment Plan (i.e., the estimated electric bills, consumption on inactive electric meters and uncollectible electric expense metrics (the "AMI-related metrics"), the utility must elect a start date that is no later than 14 months following the Commission's order approving the AMI Plan at issue.

Section 16-108.5(f) also specifies how the yearly performance goals are to be determined. Pursuant to that Section, the yearly incremental performance goals are ratably (i.e., in equal segments) determined by proportioning the required 10-year improvement amount equally over the 10-year period. In other words, to determine the annual incremental amount for improvement, one simply divides the required aggregated amount for improvement by 10.

Under Section 16-108.5(f-5), there are financial penalties imposed on AIC for failing to meet improvements on the first six metrics listed above (i.e., items 1, 2, 4, 5, 6, and 8). The specific penalties for failing to meet the improvements required under the law are imposed by the Commission on AIC as a basis point reduction to AIC's return on equity through a tariff, Rider MAP-M, which is separate from AIC's formula rate, Rate MAP-P. The basis point reduction can vary depending upon which annual goal is not achieved and the specific year within the 10-year period when the goal(s) is/are not achieved, pursuant to Section 16-108.5(f-5).

If AIC fails to make improvement on metrics 1, 2, and 4, the Commission's authority to reduce or obviate the penalty for that failure is apparently prohibited, given that Section 16-108.5(f-5) provides that "[n]othing in this Section shall authorize the Commission to reduce or otherwise obviate the imposition of financial penalties for failing to achieve one or more of the metrics established pursuant to subparagraph (1) through (4) of subsection (f) of this Section." With respect to metrics 5, 6, and 8, the imposition of a penalty for failing to meet a goal is subject to the following language from sub-section (f):

The metrics and performance goals set forth in subparagraphs (5) through (8) of this subsection (f) are based on the assumptions that the participating utility may fully implement the technology described in subsection (b) of this Section, including utilizing the full functionality of such technology and that there is no requirement for personal on-site notification. If the utility is unable to meet the metrics and performance goals set forth in subparagraphs (5) through (8) of this subsection (f) for such reasons, and the Commission so finds after notice and hearing, then the utility shall be excused from compliance, but only to the limited extent achievement of the affected metrics and performance goals was hindered by the less than full implementation.

220 ILCS 5/16-108.5(f)

Finally, if AIC fails to make improvements on metric 9, expenditures for MFBE, there appears to be no language in Section 16-108(f-5) providing the Commission with authority to impose a penalty on AIC for a failure to make improvement on the metric.

Pursuant to the timing requirements of Section 16-108.5(f), for AIC, the 10-year performance period for the proposed reliability-related metrics, and the MFBE metric must commence no later than March 1, 2013. The 10-year performance period for AIC's proposed AMI-related metrics must begin no later than August 1, 2013. However, rather than establish two separate performance periods, AIC has proposed to begin the 10-year performance period for all performance metrics on January 1, 2013, provided the Commission approves the Metrics Plan proposed by AIC in this proceeding and its proposed AMI Plan in Docket No. 12-0244 without substantial modification and within a schedule that accommodates a January 1, 2013 start date. AIC states that neither Staff nor any Intervenor take issue with AIC's proposed performance period start date.

III. DEVELOPMENT OF THE SECTION 16-108.5(f) PERFORMANCE METRICS AND TARIFF

A. AIC shall achieve a twenty percent improvement in the SAIFI using a baseline of the average of the data from 2001 through 2010.

1. AIC Position

AIC notes that the SAIFI is "the average number of interruptions per customer during the year," pursuant to Section 411.20 of Part 411. AIC states that pursuant to Section 411.20, SAIFI is calculated by dividing the total number of customer interruptions by the total number of customers served for a given year. In its direct case and Metrics Plan as initially filed, AIC relied on data derived from Part 411 reliability reports submitted to the Commission by its predecessor companies to calculate an average SAIFI baseline of 1.28, taking into account the exclusion of extreme weather days, as required by Section 16-108.5(f). AIC indicates that Staff witness John Stutsman, however, took issue with AIC's initial SAIFI calculations, specifically the

source data on which the calculations were based and the number and type of outages included therein.

AIC notes that Mr. Stutsman recommended that AIC recalculate its SAIFI baseline on rebuttal using available raw outage data without interruptions that are excludable under Section 411.20. In response to Mr. Stutsman's concerns, AIC avers that it recalculated its SAIFI values, using the source data and methodology recommended by Mr. Stutsman, and presented with its rebuttal testimony a revised SAIFI baseline of 1.13 and revised resultant incremental performance goals. AIC opines that Mr. Stutsman agreed with the SAIFI methodology and numbers presented in AIC's revised Metrics Plan, and was satisfied with the methodology and source data AIC used on rebuttal, as appropriate for calculating the SAIFI baseline. AIC avers that Mr. Stutsman agreed, if utilities were to calculate their SAIFI values as AIC had done on rebuttal, they "would be doing exactly what the Act tells you to do," and Mr. Stutsman "would expect them to do it that way." (Tr. at 46-47.) AIC submits that the methodology used by it to calculate its SAIFI values is consistent with the requirements of the Act and is the methodology that AIC intends to use to calculate achievement of its incremental annual SAIFI performance goals.

AIC suggests there is no dispute regarding this component of AIC's Metrics Plan, and recommends the Commission approve the baselines and incremental performance goals for the SAIFI metric. AIC also suggests the Commission should expressly affirm that the methodology AIC used to calculate the SAIFI metric baseline should be the methodology AIC uses to calculate achievement of the incremental SAIFI performance goals.

2. Staff Position

Staff notes that in his direct testimony, Mr. Stutsman determined that AIC's calculations and baseline values for this metric were not methodologically sound, had not been correctly calculated, and were inconsistent with the statutory requirements. Mr. Stutsman recommended AIC re-calculate its metrics baselines for SAIFI (1) in a manner which complies with sections 16-108.5(f)(1) and 16-108.5(f)(2) of the Act; (2) using a method that does not artificially raise the metric numbers making them easier to achieve; and (3) provide the calculations within a timeframe which will allow the Commission to enter an order within 120 days after the metrics are filed approving or approving with modification, AIC's tariff or mechanism to satisfy the metrics set forth in subsection (f) of 16-108.5 of the Act. Mr. Stutsman stated that the best solution was for AIC to use best efforts by the time AIC filed its rebuttal testimony, to identify in its Outage Analysis Systems ("OASs") those outages that should be excluded pursuant Section 411.20, as specified in the Act, and recalculate the baseline SAIFI value using only the raw outage data from the OASs.

Staff noted that Mr. Stutsman testified at the evidentiary hearing that he was now satisfied that AIC completed its analysis, as presented in rebuttal testimony, using an appropriate methodology which is consistent with the requirements of the Act and which

produced correct results. Mr. Stutsman testified further that in his opinion, it was not appropriate for the Commission to dictate precisely what methodology AIC should use in future dockets. Staff suggests the Act and Commission rules already accomplish that on a going forward basis, and assert these will drive Staff's future reviews.

3. Commission Analysis and Conclusion

The Commission finds that there is no dispute amongst the parties regarding this component of AIC's Metrics Plan, the Commission therefore approve the baselines and incremental performance goals for the SAIFI metric. The Commission notes however that AIC also suggests the Commission should expressly affirm that the methodology AIC used to calculate the SAIFI metric baseline should be the methodology AIC uses to calculate achievement of the incremental SAIFI performance goals. Staff however argues that is not appropriate for the Commission to dictate precisely what methodology AIC should use in the future to calculate achievement of the SAIFI metric, and instead suggests that the Commission note that the Act and Commission rules in place at that time will determine the calculation. The Commission agrees with Staff that it would not be proper at this time to make such a finding, and will instead direct the parties to the Act and the Commission rules in effect at that time in making the appropriate determination.

B. AIC shall achieve a fifteen percent improvement in the system CAIDI using a baseline of the average of data from 2001 through 2010.

1. AIC Position

AIC notes that CAIDI is the average interruption duration for those customers who experience interruptions during the year, pursuant Section 411.20. AIC states it is calculated by dividing the sum of all customer interruption durations by the total number of customer interruptions for a given year. The methodology initially employed by AIC to calculate its CAIDI baseline and year 10 performance goal was similar to that initially used by AIC to calculate its SAIFI baseline and performance goal.

AIC notes that Mr. Stutsman also took issue with AIC's CAIDI calculations, therefore, AIC revised its CAIDI calculations consistent with the methodology proposed by Mr. Stutsman, resulting in a revised CAIDI baseline of 156 minutes, which AIC states Staff agreed with. As with its SAIFI metric, AIC intends to rely on this approved methodology when calculating its achievement of the annual incremental CAIDI performance goals. As a result, AIC suggests there is no longer any dispute regarding this component of AIC's Metrics Plan. AIC recommends the Commission approve AIC's calculated CAIDI baseline and incremental performance goals as revised, and should expressly affirm that AIC should rely on the same methodology to calculate its achievement of those incremental performance goals.

2. Staff Position

Staff states that Mr. Stutsman found in his direct testimony that AIC's calculations and baseline values for this metric were not methodologically sound, had not been correctly calculated, and were inconsistent with the statutory requirements. Staff indicates Mr. Stutsman recommended AIC re-calculate its metrics baselines for CAIDI (1) in a manner which complies with sections 16-108.5(f)(1) and 16-108.5(f)(2) of the Act; (2) using a method that does not artificially raise the metric numbers making them easier to achieve; and (3) provide the calculations within a timeframe which will allow the Commission to enter an order within 120 days after the metrics are filed approving or approving with modification, AIC's tariff or mechanism to satisfy the metrics set forth in subsection (f) of 16-108.5 of the Act. Staff opines that Mr. Stutsman stated that the best solution would be for AIC to use best efforts to identify in their OASs those outages that should be excluded pursuant to Part 411.20, as specified in the Act, and recalculate their baseline CAIFI values using only the raw outage data from the OASs.

Mr. Stutsman testified in the evidentiary hearing that he is satisfied that AIC has now calculated CAIDI using an appropriate methodology which is consistent with the requirements of the Act and which produced correct results. Staff indicates Mr. Stutsman further testified that it was not appropriate for the Commission to dictate precisely what methodology AIC should use on a going-forward basis, and notes that the Act and Commission rules will drive Staff's future reviews.

3. Commission Analysis and Conclusion

The Commission finds that there is no dispute amongst the parties regarding this component of AIC's Metrics Plan, the Commission therefore approve the baselines and incremental performance goals for the CAIDI metric. The Commission notes however that AIC also suggests the Commission should expressly affirm that the methodology AIC used to calculate the CAIDI metric baseline should be the methodology AIC uses to calculate achievement of the incremental CAIDI performance goals. Staff however argues that is not appropriate for the Commission to dictate precisely what methodology AIC should use in the future to calculate achievement of the CAIDI metric, and instead suggests that the Commission note that the Act and Commission rules in place at that time will determine the calculation. The Commission agrees with Staff that it would not be proper at this time to make such a finding, and will instead direct the parties to the Act and the Commission rules in effect at that time in making the appropriate determination.

- C. AIC shall achieve a seventy-five percent improvement in the service reliability targets set forth in subparagraphs (A) through (C) of paragraph (4) of subsection (b) of Section 411.140 as of May 1, 2011, using 2010 as the baseline.**

AIC notes that Mr. Stutsman expressly determined that AIC's proposed baseline values and calculations for the service reliability targets metric are correct. AIC indicates that neither CUB nor AARP/AG raised any issues relating to this metric. Accordingly, there is no dispute regarding this component of AIC's Metrics Plan. AIC recommends the Commission approve the baseline values and calculated incremental performance goals for service reliability targets metric.

Staff agrees that Mr. Stutsman reviewed AIC's 2010 Supplemental Reliability Report, and determined that AIC's service reliability target metrics meet the requirements of Section 16-108.5(f)(4) of the Act.

The Commission is satisfied with the analyses presented, and agrees with AIC and Staff that AIC's proposed service reliability target metrics are appropriate, and meet the requirements of Section 16-108.5(f)(4) of the Act.

- D. Fifty-six percent improvement in reducing the number of estimated electric bills issued using a baseline of the average number of estimated bills for the years 2008 through 2010.**

AIC notes that this metric requires a 56% reduction over a 10-year period in the issuance of estimated electric bills using a baseline of the average number of estimated electric bills for the years 2008 through 2010. AIC states that an electric bill is considered "estimated" any time a meter reading is estimated, an actual reading is adjusted, or that increment of an interval reading used to determine billing is not an actual read. AIC indicates that the 2008 to 2010 average number of estimated bills was 590,905.

AIC suggests this metric is based on the assumption that AIC is allowed to fully implement AMI technology; including utilizing the full functionality of such technology and that there is no requirement for personal on-site notification. As such, AIC notes that the annual performance goal associated with this metric is dependent on the Commission's approval of AIC's AMI Plan and on the Commission declining to otherwise impose an on-site disconnection notification requirement. AIC states that neither Staff nor any Intervenor has proposed any alternatives to the baseline values and annual performance goals proposed in AIC's Metrics Plan related to the AMI-related metrics. AIC therefore recommends that the Commission approve those baseline values and annual performance goals.

The Commission notes that no party has proposed an alternative to AIC's suggested baseline for this metric. The Commission finds AIC's proposal reasonable and therefore it will be approved. In regard to AIC's suggestion that this metric is based

on AIC being allowed to fully implement AMI technology, the Commission notes that there is a rule-making currently pending in Docket No. 06-0703, as discussed more fully in Section IV of this Order. This metric is approved based on the Act and Commission rules in effect at this time.

E. Fifty-six percent improvement in the consumption of electricity on inactive meters using a baseline of the average unbilled kWh for the years 2009 and 2010.

AIC avers that this metric requires a 56% improvement over a 10-year period in consumption on inactive electric meters using a baseline of the average unbilled kWh for the years 2009 and 2010. AIC notes that consumption on an inactive electric meter occurs when usage is registered on an electric meter for which there is no customer of record to bill. AIC states the 2009 to 2010 average kWh consumption on inactive electric meters is 12,100,806.

The Commission notes that neither Staff nor any Intervenor has raised any issue with AIC's suggestion as to the baseline for this metric. The Commission finds AIC's proposal reasonable, therefore this suggested metric will be approved, subject to the Act and Commission rules, and as discussed further in this Order.

F. AIC shall achieve a \$3.5 million dollar reduction in uncollectible expense using a baseline of the average uncollectible expense for the years 2008 through 2010.

AIC understands that this metric requires a \$3,500,000 reduction over a 10-year period in uncollectible electric expense using a baseline of the average uncollectible electric expense for the years 2008 through 2010. AIC suggests that the uncollectible electric expense represents those debts owed AIC that are not capable of being collected after reasonable collection efforts have been undertaken, less any recoveries, as reported by AIC on the Federal Energy Regulatory Commission Form 1, Account 904, adjusted to exclude uncollectible gas expense. AIC states that the 2008 to 2010 average uncollectible electric expense is \$17,773,333.

Staff witness Burma Jones states that in AIC's Modernization Action Plan Multi-Year Performance Metrics 2013-2022, AIC refers to losses from uncollectible utility revenues for the electric portion of its business as "uncollectible electric expense." Ms. Jones avers that the correct terminology is "electric uncollectible expense," as the two phrases do not have the same meaning and are not interchangeable. Ms. Jones notes that AIC agreed to change the language in its proposed Rider MAP-M to reflect "electric uncollectible expense." Staff does not appear to contend that it has any other issues with this metric.

AG/AARP discusses the uncollectible metric only in connection with its arguments regarding AIC and the Commission rules regarding a premise visit prior to disconnections, which is addressed in a later section of this Order.

The Commission notes that AIC has indicated it has no issue with Staff's suggested language change for this metric, therefore it will be approved. As there appears to be no other dispute on the base-line for the uncollectible metric, the Commission will also approve that baseline. As to AIC's suggestion that this metric is dependent on the full implementation of AMI technology, the Commission again notes that this issue is addressed elsewhere in this Order, and note that AIC agrees it is bound by the Act and the Commission rules.

G. Set a goal for creating opportunities for MFBE consistent with state and federal law using a base performance value of the percentage of AIC's expenditures paid to MFBE in 2010.

Related to the opportunities for the MFBE metric, AIC proposed a baseline performance value of the percentage of AIC's capital expenditures that were paid to MFBE in 2010, and developed a performance goal of increasing contracting with MFBE by 15% over a 10-year period, to \$17 million annually.

In describing this metric, AIC witness James Keating states in his direct testimony that capital expenditures are placed and managed through Ameren Services' procurement processes. Mr. Keating notes that these procurement processes, by AIC policy, require the inclusion of MFBE in proposal and quotation requests. Mr. Keating states that if minority and female suppliers are successful in their proposals, the opportunities are created resulting in increased utilization. Mr. Keating avers that AIC also requires prime suppliers to utilize MFBE to the maximum extent practicable. Mr. Keating notes these "second tier" expenditures are also tracked and result in opportunity creation. The amount of expenditure with MFBE is the result of this opportunity creation and will be measured in this metric.

Consistent with criteria established by state and federal law, AIC states that it defines MFBE as a minority-owned or women-owned business that is a for-profit enterprise, regardless of size, physically located in the United States or its trust territories, which is owned, operated and controlled by minority group members or women. AIC states "minority group members" refers to those individuals who are Asian, Black, Hispanic, or Native American. AIC avers that ownership by minority individuals or women means the business is at least 51% owned by such individuals or, in the case of a publicly-owned business, at least 51% of the stock is owned by one or more such individuals. Further, AIC states that the management and daily operations are controlled by those minority group members or women.

AIC states that the baseline value for capital expenditures is the sum of all AIC electric related, direct, non-labor, non-inventory, non-clearing, capital expenditures made for goods and services paid to MFBE in 2010, which data is derived from AIC's accounts payable system.

AIC notes that no party raised any issues relating to this metric, therefore, AIC suggests there is no dispute regarding this component of AIC's Metrics Plan. AIC recommends that the Commission approve AIC's suggested opportunity for MFBE metric.

The Commission finds that there is no dispute in regard to AIC's plan to comply with the MFBE performance metric. The Commission finds the suggested metric to be reasonable, therefore it is approved.

IV. AG/AARP PROPOSAL CONCERNING PREMISES VISIT

A. AG/AARP Position

Of the statutorily prescribed metrics, four of them relate directly to AIC's deployment of AMI, namely reduction in estimated electric bills, consumption on inactive meters, unaccounted for energy, and uncollectible expense. AIC has proposed these four customer service metrics under the assumption that the current premise visit requirement prior to disconnection for nonpayment of a utility bill in Section 280.130(d) of the Commission's rules either does not apply absent a technical need to visit a customer's premise or will be repealed or waived for AIC. Section 280.130(d) provides in full:

A utility shall attempt to advise the customer that service is being discontinued by directing its employee making the disconnection to contact the customer at the time service is being discontinued. When the utility is unable to discontinue service during a call made at the customer's premise, the utility shall attempt to leave a notice at the premise or billing address informing the customer that an attempt to discontinue service has been made and that his/her service continues to be subject to discontinuance.

AG/AARP understand that use of the remote disconnect switch under a number of circumstances would be lawful under current Illinois regulations, such as disconnecting service between tenants when a building is not inhabited, when theft of service or dangerous conditions are detected, or when the customer requests disconnection of service. They are concerned, however, that AIC's proposed uncollectibles performance metric and tariff Rate MAP-M do not reflect the current status of Section 280.130(d) pertaining to the disconnection of customers from utility service for nonpayment. The current version of this rule states that a utility shall advise a customer that service is being discontinued by attempting to make direct contact with that customer "at the time service is being discontinued." Of these four metrics, AG/AARP contend that it is most likely that the uncollectible expense metric is the one most likely to be impacted.

AG/AARP urge the Commission to reject AIC's proposed Rate MAP-M tariff to the extent that it presumes that the current rule concerning the on-site visit requirement included in Section 280.130(d) does not exist. They state further that AIC should then

be directed to provide specific information to the Commission and stakeholders identifying how and to what degree the retention of the current premise visit requirement associated with disconnection of utility service for nonpayment for residential customers would impact AIC's ability to achieve its required performance standards for each of the AML-related metrics during the 10-year plan, if any, but in particular, for the uncollectible expense metric. AG/AARP assert that the alternative is to allow AIC to make allegations about noncompliance without any firm basis or understanding of how the premise visit requirement when disconnecting customers impacts performance metrics. AG/AARP maintain that the Commission can not approve a tariff, and indeed a performance plan, that presumes a state of the law that does not exist.

AG/AARP recognize that Section 16-108.5(f) contemplates a remote disconnect environment created by AML technology. The relevant portion of subsection (f) reads:

The metrics and performance goals set forth in subparagraphs (5) through (8) of this subsection (f) are based on the assumptions that the participating utility may fully implement the technology described in subsection (b) of this Section, including utilizing the full functionality of such technology and that there is no requirement for personal on-site notification. If the utility is unable to meet the metrics and performance goals set forth in subparagraphs (5) through (8) of this subsection (f) for such reasons, and the Commission so finds after notice and hearing, then the utility shall be excused from compliance, but only to the limited extent achievement of the affected metrics and performance goals was hindered by the less than full implementation.

Considered in full, they assert that the statute also implicitly recognizes the existing Commission-imposed obligation on the utilities to implement a premise visit prior to disconnection of service for nonpayment for residential customers. The possibility that such a premise-visit requirement might be retained is also recognized in subsection (f) in light of the fact that it adjusts any penalty for failure to achieve a metric "to the limited extent achievement of the affected metrics and performance goals was hindered by the less than full implementation." Accordingly, AG/AARP believe that it is important to determine the exact connection between these performance metrics and this consumer protection policy so there is no argument about the impact of premise visits on future compliance claims.

To be clear, AG/AARP do not believe that the retention of the premise visit requirement for disconnection for nonpayment for residential customers would impact the savings associated with the move-in/move-out function, connection of service, reconnection of service, or other connection and disconnection. In addition, AG/AARP state that neither AIC's proposed performance relating to estimated bills nor its ability to detect theft or other unauthorized use of electricity should be impacted by the premise visit requirement related to disconnections. They note that AIC would be able to disconnect remotely and without notice even under the existing Section 280.130(d) for

dangerous conditions or evidence of tampering. Finally, they state that the premise visit requirement should not result in any impact on savings associated with unaccounted for energy, which is primarily a function of AIC's current practice of leaving meters on between customers or tenants. Accordingly, AG/AARP conclude that the only metric that will likely be affected by adherence to the Commission rule requiring the premise visit associated with disconnection for nonpayment is the uncollectible expense metric.

To achieve the required \$3.5 million improvement in uncollectible expense over the baseline value of \$17,773,333, AIC asserts that it must reduce uncollectible expense by \$350,000 each year over the 10-year period. In addition to AIC's metric plan assuming a state of law that does not exist, AG/AARP point out that the calculation of the baseline metric, which again averages uncollectibles figures from the 2008 through 2010 time period, reflects a period in which no remote disconnect capability existed and premise visits and on-site notifications were required. AG/AARP acknowledge that the on-site notification requirement set forth in Section 280.130(d) was drafted and has been implemented during an era when the customer's meter could not be physically disconnected or connected without a premise visit and mechanical action taken with respect to the meter itself. AG/AARP assert, however, that the Commission has made clear that regardless of the technical capabilities of a meter, the on-site contact and premises visit shall be retained, given the existing language of Section 280.130(d) and the important consumer protections associated with this premise visit and final attempt to contact the customer prior to disconnection for nonpayment of a utility bill. In support of this assertion, AG/AARP cite Docket No. 09-0263, which concerned Commonwealth Edison Company's ("ComEd") AMI pilot program.

Consumer protections associated with the current Section 280.130(d) are discussed in the pending rulemaking for Part 280, Docket No. 06-0703. AG/AARP state that the health and safety consequences of disconnection of energy service can trigger severe, adverse health consequences for older consumers, including death due to hypothermia or exposure to extreme heat. The "knock on the door," AG/AARP insist, is important because phone calls and letters may not reach all customers who are vulnerable and who are facing potential disconnection. AG/AARP contend that it is important to determine the exact connection between the performance metrics and the consumer protection policy so there is no argument about the impact of premise visits on future compliance claims. The alternative, AG/AARP continue, is to allow AIC to make allegations in the future about noncompliance without any firm basis or understanding of how the premise visit requirement will impact these performance metrics. AG/AARP observe further that the Commission would not be alone if it decided to hold AIC to the notification requirement in Section 280.130(d). AG/AARP report that regulatory commissions in Maryland, New York, and Ohio have rejected proposals to eliminate these consumer protections even though such rejection may result in lower operational savings associated with AMI on the grounds that the disconnection of residential customers may result in dangerous health and safety conditions due to the loss of essential electricity service.

To avoid allowing AIC to make allegations in the future about noncompliance without any firm basis for understanding how the premise visit requirement could impact the uncollectible performance metrics, AG/AARP urge the Commission to require AIC to identify in this case how and to what degree the retention of the current premise visit requirement would impact AIC's ability to achieve its required performance standards for each of the AMI-related metrics during the 10-year plan. AIC should also provide the data it will collect to document the ongoing connection, if any, between each of these metrics and associated performance standards and the premise visit requirement of the current Part 280 rule. Once such information has been identified and provided by AIC, AG/AARP state that Staff and other parties should have an opportunity to review and comment on AIC's estimated impacts. According to AG/AARP, the Commission could then issue an order making findings of fact and conclusions with respect to this matter. AIC has proposed that the AMI-related customer service metrics take effect on January 1, 2013, "provided the Commission approves the Metrics Plan and AMI Plan without substantial modification and within a schedule that accommodates (that) start date." (Ameren Ex. 1.0 at 4) As a result, AG/AARP contend that there is sufficient time to determine how and to what degree the retention of the premise visit requirement would impact these proposed performance metrics. This information, AG/AARP continues, should then be linked to the degree to which its promised performance to comply with Part 280's disconnection rules will impact the uncollectibles expense metric, in particular.

AG/AARP also add that the Commission should expressly require AIC to modify its Rate MAP-P tariff to reflect Staff witness Jones' proposal concerning the penalty calculation associated with failing to satisfy a metric.

B. AIC Position

As an initial matter, AIC recognizes that Part 280 currently requires a premises visit prior to disconnection for nonpayment. AIC commits to comply with Part 280 as it currently exists and whatever the final rule may be with regard to premises visits, irrespective of its metrics plan. With regard to the AG/AARP position, AIC finds their proposal vague and contends that they overlook other procedural avenues, more appropriate than the instant proceeding, for their concern regarding premises visits at the time of disconnection. AIC suggests that the AG and AARP could file a complaint pursuant to the Commission's rules of practice, engage Staff and ask that it file a report with the Commission, or simply send correspondence to the Commission to address the concern.

AIC also points out that AG/AARP's proposal in this proceeding is the same as that made in ComEd's metrics docket, Docket No. 11-0772. In the ComEd docket, the Commission did not accept the proposal. (Order at 16-17) AIC recommends that the Commission take the same approach here with respect to the same exact proposal.

C. Commission Conclusion

The Commission understands the concern of AG/AARP, but declines to adopt their proposal that AIC be required to identify how the current disconnection rules set forth in Part 280 impact AIC's ability to achieve its required AMI performance standards. This docket pertains to the annual performance goals under the metrics and the Commission will not attempt to evaluate any potential revisions to Part 280 in this proceeding. At the present time Section 280.130(d) requires notice at a premise prior to disconnection for nonpayment. In the currently pending rulemaking concerning Part 280, a proposed order for the first notice rule has yet to be served. So for the immediate future AIC will continue to be required to provide notice under Section 280.130(d). Therefore, in evaluating AIC's compliance with the metrics and any penalties to be assessed, the Commission will review all of the information provided by AIC, and may seek additional information, to determine whether compliance with the Act and Commission rules has taken place. Additionally, Rider MAP-M must be modified to accurately reflect the current Part 280.

V. CUB PROPOSED ADDITIONAL METRICS

A. CUB Position

CUB believes that type of "smart grid" investments described in the Energy Infrastructure Modernization Act ("EIMA") hold great potential for delivering improved service and lower customer bills. CUB expects customers to see operational benefits through improvements in AIC's operational efficiency and system reliability, including reduced metering costs through automated metering and improved asset life through improved information on maintenance of wires or substations before equipment failures or outages even occur. Customers should also, CUB continues, realize benefits through improved usage information and ability to manage energy usage through energy efficiency, demand response, and distributed generation investments. CUB states that customers can leverage these tools through expanded rate options that provide money saving opportunities from energy conservation, load shifting, and new technologies made practicable by smart grid investments. CUB also asserts that AIC should ensure environmental benefits through smarter long-term generation and transmission investments and more efficient resource utilization, avoided greenhouse gas ("GHG") emissions associated with peak energy usage and meter reading, and improved renewable resource interconnection.

CUB also recognizes, however, that these investments are not without risks to AIC's customers. The EIMA could potentially result in an emphasis on investment dollars instead of investment outcomes. Given the breadth and length of investment planning required, CUB avers that the Commission needs to make sure it has appropriate benchmarks to monitor AIC's performance and to ensure that these investments – and this new performance-based formula rate structure – deliver a better quality of service at a lower cost with greater flexibility in managing energy usage. To this end, CUB finds it significant that the EIMA for the first time recognizes that a utility's

performance in delivering improved customer service should be measured and evaluated over time. CUB states that this new emphasis on performance means the Commission can strategically evaluate how these new investments and new performance expectations can best serve AIC customers.

CUB recommends that the Commission establish in this proceeding additional metrics for determining whether consumers have increased their understanding of (a) ways to lower their bills; (b) ways to consume more efficiently; (c) how bills are computed (so that they understand their responsibility to pay off sunk costs even as they reduce future costs); and (d) ways in which third parties, who are not the utility, can enter the marketplace to provide enhanced services to customers.

Whether or not third parties enter the marketplace, CUB contends, depends upon the design of the smart grid. CUB asserts that a smart grid should create an open marketplace where alternative energy sources from geographically distant locations can easily be sold to customers wherever they are located. Intelligence in distribution grids should enable small producers to generate and sell electricity at the local level using alternative sources such as rooftop-mounted photovoltaic panels, small-scale wind turbines, and micro hydro generators. CUB suggests that AIC be required to provide third parties maximum access to the grid by creating a welcoming platform for deployment of a wide range of clean energy technologies and energy management services. Potential metrics would include whether or not AIC has established a platform for maximum access by third parties to data such that they can participate competitively in energy markets, or how long it takes AIC to demonstrate full compliance with National Institute of Standards and Technology interoperability standards.

With respect to distributed generation program, CUB urges the Commission to adopt the goal that AIC's investments must accommodate all generation and storage options. CUB states that AIC's investments should reduce traditional power loads, and also seamlessly interconnect with renewable energy, micro-turbines, and other distributed generation technologies at local and regional levels. The Commission can require AIC to measure and report how long it takes its customers to interconnect a distributed generation system and require AIC to put in place a program for the promotion of energy storage, including possible rebates, incentives, and/or tariffs. CUB suggests further that a plan like this could also address how AIC will enable integration of intermittent power sources, including energy storage, energy efficiency, distributed generation, and utility scale renewable energy. As climate change and environmental concerns increase, CUB avers that the demand for renewable energy resources will also increase. Since these are for the most part intermittent in nature, CUB believes that a smart grid system should enable power systems to operate with larger amounts of such energy resources.

CUB notes that the types of additional metrics that it advocates are being used in other jurisdictions that are evaluating smart grid investments. As an example, CUB points out that the California Public Utilities Commission ("CPUC") led a planning process that included the discussion of smart grid metrics. CUB reports that the

investor-owned utilities in California, along with the Environmental Defense Fund, presented the CPUC with a report outlining ideas for metrics that can guide the first smart grid deployment plans filed by the California utilities. CUB identifies the metrics adopted by the CPUC on page 12 of CUB Exhibit 1.0. CUB also relates that the CPUC adopted additional metrics to track cost savings and avoided GHG emissions associated with smart-grid enabled improvements. CUB identifies these metrics on page 13 of CUB Exhibit 1.0.

To develop and incorporate additional metrics pertaining to AIC, CUB recommends that the Commission direct AIC to:

- Convene stakeholders to discuss and recommend specific metrics based on the objectives CUB witness Thomas identified;
- Collect data regarding past performance of those metrics;
- Publish a report detailing AIC's methodology and results for measuring past performance and for measuring new activities;
- Hold a workshop to review the report; and
- Propose a plan to measure and improve performance going forward.

CUB states that the Commission can use the resulting plan as a baseline for its review of AIC's investments in the annual proceedings laid out by the Act, and by doing so, have a means to monitor and evaluate AIC's improvement every year. CUB also suggests that the Commission require AIC to modify its plan with respect to AMI investment to include the following metrics:

- AIC must use AMI technology to reduce the amount of uncollectible expense and lost energy, and pass those savings directly to its customers.
- AIC must survey the best practices in the design of customer rates and create a schedule for piloting and assessing those practices in Illinois, including the residential real-time pricing plan and the Peak Time Rebate already authorized by the Act. (See Sections 16-107 and 16-108.6(g)) AIC should be required to introduce new, optional rates which are designed to induce efficient consumption.
- AIC must teach customers about how their energy usage affects their bills and the environment. AIC should use surveys to measure customer comprehension before and after AIC undertakes the customer education campaign.
- AIC must perform a voltage optimization study of their distribution system and implement a voltage optimization plan. Higher power quality will result in money saved from outages, and AIC's smart grid investments should provide more stable and reliable power.
- AIC must have a distributed generation program in place that demonstrates ease of connection for customers and includes net metering. AIC must also include a program for maximizing wholesale market access from distributed generation. The Commission should require AIC to measure and report how long it takes its customers to interconnect a distributed generation system. The plan should also address how AIC will enable integration of intermittent power sources,

including energy storage, energy efficiency, distributed generation, and utility scale renewable energy. To do this, AIC shall put into place a program for the promotion of energy storage, including possible rebates, incentives, and/or tariffs.

- AIC must encourage customers to manage energy more efficiently. To accomplish this, AIC must make available to all of its customers access to each customer's energy usage and pricing information through a web portal. AIC must also establish a platform for maximum access by third parties to data such that they can participate competitively in energy markets. Along with customer access to energy usage data, AIC must also examine how to best measure whether customers have increased understanding of (a) ways to lower their bills; (b) ways to consume more efficiently; and (c) how bills are computed. AIC must also establish an ongoing energy meter calibration program.
- AIC must develop a plan to increase the amount of its total capacity that is fulfilled by demand response, including automated demand response.
- AIC must examine ways to capture the environmental benefits associated with changes in utility operations and pricing through avoided GHG emissions, and include in its AMI plan and annual performance filings additional metrics which track such environmental benefits.

CUB adds that the Commission should order workshops over the next six months to identify any other potential customer benefits, and to develop specific metrics for these areas, as well as the areas described above.

CUB observes that the Commission has already recognized the importance of additional metrics in Docket No. 11-0772 when it considered ComEd's Multi-Year Performance Metrics Plan filed pursuant to Section 16-108.5(f) of the EIMA. CUB offered testimony in this docket similar to that offered in the ComEd docket. The Commission concluded that Mr. Thomas' testimony contained "good ideas concerning important additional metrics." (Order at 29) Taking note of the disjointed nature of the many separate filings a utility must make under Public Acts 97-0616 and 97-0646, CUB relates that the Commission expressed concern that "there is no natural home for the overlapping big-picture issues that CUB/City has raised." Id. Even though it concluded that Docket No. 11-0772 was not the appropriate docket for addressing those issues, the Commission encouraged all parties to work together to ensure maximum customer benefits, including consideration of applicable metrics in the upcoming AMI docket for ComEd. The Commission held that at the conclusion of the AMI docket, it will request a "Staff Report to review the metrics approved in both that docket and in the AMI deployment docket," and stated that "[b]ased upon that Report the Commission may initiate an investigation to consider any appropriate actions to ensure the full realization of the consumer, environmental, and societal benefits of the aforementioned grid modernization programs." Id.

In this proceeding, CUB urges the Commission to go further and argues that the time frame of a docket should have no bearing on the benefits and protections consumers require while a regulated utility undertakes millions or billions of dollars in

investments over the next ten years. CUB maintains that customers should not be deprived of the benefits of additional metrics simply because of the statutory deadlines in a case. CUB contends that the General Assembly clearly intended to condition this massive utility investment on providing equally significant benefits to ratepayers, and just as clearly stated that this “regulatory reform” would not limit the existing Commission authority over regulated public utilities. Specifically, CUB argues that Section 16-108.5(c)(6) still requires the Commission to ensure rates are just and reasonable, and that utility investments are prudently made. CUB insists that all of the references to the Commission’s authority to require prudent investments and to set just and reasonable rates, consistent with the other provisions of Article IX of the Act, show that the General Assembly intended for the Commission to continue to exercise its broad authority under the Act. CUB maintains that its additional performance metrics are entirely consistent with the Commission’s grant of authority under the Act and under the new EIMA performance-based formula rate provisions. The strong emphasis placed on utility performance, creating new investment opportunities, and integrating new grid resources, such as distributed generation and net metering, make clear that the Commission has a role to play in making sure that this new structure provides benefits to customers.

What CUB proposes is an extension of the Commission’s inherent authority—authority the Commission has used in the past to order workshops on topics such as smart grid investments and the development of natural gas choice programs for small retail customers. In 2007, for example, CUB relates that the Commission used a proposal from ComEd for a large-scale system modernization rider as an opportunity to create not only a pilot of AMI technology, but an entire statewide collaborative planning process for smart grid investments. (See Docket No. 07-0566) More recently, CUB states that in Docket No. 11-0282 the Commission called for workshops to examine whether or not it was appropriate for AIC to institute a retail gas choice program for its small customers. Both Docket No. 07-0566 and Docket No. 11-0282 were general rate cases brought under Section 9-201 of the Act. Section 9-201 of the Act does not include language authorizing the Commission to order workshops. Nor does it expressly authorize a statewide investigation regarding the merits of smart grid technologies or investigations on the appropriateness of retail gas programs for low-use customers. Despite the lack of specific authority in Section 9-201, CUB points out that the Commission nonetheless ordered these investigations under its general authority to regulate public utilities. CUB observes further that no party, including ComEd in Docket No. 07-0566 or AIC in Docket No. 11-0282, challenged the Commission’s decision on this point, as it is clearly understood that the Commission has authority to conduct such investigations. CUB avers that the same is true here.

Within the framework of the EIMA, CUB states that the Commission has express authority to modify AIC’s metrics plan. Additionally, when approving or modifying utility proposals, CUB reiterates that the Commission has authority under the Act to impose additional obligations on the utility even where those obligations are not enumerated within the statute. CUB directs the Commission’s attention to: Section 16-105 of the Act (“approving, or approving as modified” a utility’s delivery services implementation plan)

and Docket No. 01-0530, Order at 97-101 (considering Staff proposal to add electronic signature capability to utility's proposed plan and ordering workshops); Section 16-111.5 ("approve or modify" utility procurement plan) and Docket No. 07-0527, Order at 44 (considering AG proposal to require utility to acquire additional forward contracts) and Docket No. 07-0527, Order at 59-61 (considering CUB proposal to require utility to procure energy efficiency and demand response in addition to the statutorily required minimum). Although EIMA lists certain performance criteria that participating utilities must meet, CUB insists that such should not be construed as a limit on the Commission's authority to establish additional criteria or order workshops to consider additional metrics, which complement and ensure that the goals of the EIMA are fully realized.

B. AIC Position

AIC objects to CUB's recommendation that the Commission adopt additional, yet unidentified and undefined, performance metrics beyond those explicit in the Act to evaluate whether AIC's investments are delivering an enhanced customer experience. AIC contends that CUB's recommendation lacks any basis in Section 16-108.5. AIC observes that CUB witness Thomas opines that Section 16-108.5 "places the Commission in a position to consider strategically how the investments Ameren makes as an electing utility under this new Act can be best positioned to serve Ameren's customers," and that "[t]he Act presents the Commission with opportunities to improve the electric industry's performance, in terms of both innovation and cost-effectiveness, with mandatory infrastructure investments made over multiple years." (CUB Ex. 1.0 at 4) AIC notes, however, that Mr. Thomas can not point to any provision in Section 16-108.5 that supports his interpretations of the Act, and he concedes there is no specific provision which directly supports his opinions in this regard. (Tr. at 59-60) In fact, AIC continues, Mr. Thomas admits that the "broader objectives" he calls for (see CUB Ex. 1.0 at 5) are different than the specific metrics outlined in Section 16-108.5 and are not otherwise contained in that Section. (Tr. at 66-67) Furthermore, AIC relates that he admits the "enhanced customer experience" he champions is other than that referenced in Section 16-108.5, and is his own concept. (CUB Ex. 1.0 at 4; Tr. at 62-63, 65-66) AIC reports that Mr. Thomas concedes he is not a lawyer and is not attempting to define or interpret what the General Assembly meant in its discussion of "enhanced customer experience" in Section 16-108.5. (Tr. at 63)

Moreover, AIC finds Mr. Thomas' recommendations superfluous and duplicative. He does not dispute the Commission has in the past reviewed utilities', including AIC's, reliability under its rules at 83 Ill. Adm. Code 411, "Electric Reliability." AIC states further that Mr. Thomas agrees the Act contains provisions that address Commission oversight with regard to a utility's reliability and performance. Although he opines that "the Commission will need a roadmap to use from year to year as it reviews Ameren's progress towards meeting its investment obligations" (CUB Ex. 1.0 at 4), AIC states that he admits AIC's Infrastructure Improvement Plan and AMI Plan present just such a road map and explain AIC's investment over the next 10 years. According to AIC, Mr.

Thomas agrees the potential benefits of his recommended unidentified metrics are already being addressed in those plans.

When confronted with the same CUB recommendation in Docket No. 11-0772, AIC points out that the Commission declined to adopt additional metrics at that time. Instead, the Commission chose to focus on the metrics specified in the EIMA. Regarding Mr. Thomas' recommendation related to the initiation of workshops to discuss additional, unidentified metrics, in Docket No. 11-0772 the Commission directed the parties to consider in the forthcoming proceeding on ComEd's AMI deployment plan Mr. Thomas' proposed metrics to the extent they relate to the deployment of AMI meters. (See Docket No. 11-0072 Order at 29) The Commission did not actually require workshops. Even if workshops were more seriously considered, AIC notes that Mr. Thomas did not propose a specific period over which they would occur.

AIC adds that parties are not limited to bringing up additional metrics in only docketed proceedings. AIC relates that CUB, AARP, and the AG routinely meet with AIC personnel outside of Commission proceedings on a variety of matters. AIC's point is that time and resources are unnecessarily expended in Commission proceedings when parties expound on matters parochial in nature. While it may be that the Commission makes the same findings in this docket as it did in the ComEd docket, AIC strongly encourages the Commission to remind parties to stay focused on the tasks at issue. AIC states that the Commission's workload is already filled with a multitude of complicated matters. AIC asserts that adding topics outside the scope of a docketed proceeding is not only improper, but also inefficient and at times, burdensome.

C. Commission Conclusion

Section 16-108.5(f) sets forth seven metrics with which AIC must comply. AIC's failure to do so would trigger penalties contained in Section 16-108.5(f-5). The latter section also provides that within 120 days after a utility's metric filing, the Commission must enter an order "approving, or approving with modification, a participating utility's tariff or mechanism to satisfy *the metrics set forth in subsection (f) of this Section.*" (emphasis added) This statutory language indicates to the Commission that the proper focus of this expedited docket is the list of metrics contained in Section 16-108.5(f).

This is not to say, however, that the Commission lacks authority to consider and act on CUB's proposals. The Commission is free to do so under its general authority bestowed by the Act. But rather than delve into such proposals now in a separate docket, the Commission must remain cognizant of its limited resources. Public Acts 97-0616 and 97-0646 set forth a series of separate expedited proceedings in which the Commission will adopt a variety of substantially new regulatory frameworks related to grid modernization and smart grid deployment. For AIC, this includes the pending formula rate setting proceeding (Docket No. 12-0001), this current proceeding to approve statutory multi-year performance metrics, the pending AMI deployment plan proceeding (Docket No. 12-0244), and the pending proceeding to update the formula

rate (Docket No. 12-0293). In light of the competition for limited resources among these and other expedited dockets called for by the Act, the Commission will not formally consider the adoption of CUB's proposals at this time.

The Commission believes that CUB's proposals represent a good starting point concerning important additional metrics. Some of CUB's proposed metrics clearly relate to AMI deployment, others appear to tie together the disparate potential benefits of grid modernization into a broader policy goal of maximizing consumer benefits from the investments that AIC has proposed. While at this time there is no natural home for the overlapping policy issues that CUB has raised, the Commission strongly encourages all parties to work together to find ways to ensure that customers receive the maximum benefits of the proposed investments. To the extent CUB's proposed metrics relate to any of AIC's pending or upcoming dockets stemming from the EIMA, the Commission expects parties to consider those metrics (as time and the record permit in any pending dockets). Subsequently, the Commission will request a Staff Report to review the metrics approved in this docket and any of AIC's other EIMA dockets. Based upon that Report, the Commission will consider initiating an investigation to consider any appropriate actions to take in order to ensure the full realization of the consumer, environmental, and societal benefits of the aforementioned grid modernization programs.

VI. FINDINGS AND ORDERING PARAGRAPHS

The Commission, having given due consideration to the entire record herein and being fully advised in the premises, is of the opinion and finds that:

- (1) AIC is an Illinois corporation engaged in the transmission, sale, and distribution of electricity to the public in Illinois, and is a public utility as defined in Section 3-105 of the Act;
- (2) the Commission has jurisdiction over AIC and the subject matter herein, the facts recited and conclusions reached in the prefatory portion of this Order are supported by the record and are hereby adopted as findings of fact;
- (3) on January 2, 2012, AIC filed its Multi-Year Performance Metrics Plan which sets forth the baseline values and annual performance goals for each of the applicable metrics, as well as its proposed tariff mechanism, Rider MAP-M – Modernization Action Plan-Metrics;
- (4) AIC's Plan and Rider MAP-M, with the modifications adopted in the prefatory portion of this Order, are consistent with the requirements of Section 16-108.5(f) and (f-5) of the Act and should be approved;
- (5) AIC should be directed to make a compliance filing in this proceeding which incorporates the conclusions in this Order, such amended Multi-

Year Performance Metrics Plan should be filed within three business days after the entry of this Order;

- (6) AIC should be directed to file a revised Rider MAP-M, consistent with the conclusions in this Order, such revised Rider MAP-M should be filed within three business days after the entry of this Order with an effective date no earlier than five business days after such filing is made; and
- (7) all motions, petitions, objections, and other matters in this proceeding which remain unresolved should be disposed of consistent with the conclusions contained herein.

IT IS THEREFORE ORDERED by the Illinois Commerce Commission that Ameren Illinois Company's Multi-Year Performance Metrics Plan and Rider MAP-M – Modernization Action Plan-Metrics, as outlined in this Order, are hereby approved consistent with the conclusions contained herein.

IT IS FURTHER ORDERED that Ameren Illinois Company shall comply with Findings (5) and (6), above.

IT IS FURTHER ORDERED that all motions, petitions, objections, and other matters in this proceeding which remain unresolved are to be disposed of in a manner consistent with the conclusions herein.

IT IS FURTHER ORDERED that, subject to the provisions of Section 10-113 of the Public Utilities Act and 83 Ill. Adm. Code 200.880, this Order is final; it is not subject to the Administrative Review Law.

DATED: May 1, 2012

Briefs on Exceptions must be received by May 9, 2012.

John D. Albers
J. Stephen Yoder
Administrative Law Judges